

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

<b>In Re:</b>  <b>W.R. GRACE &amp; CO., et al.,</b>  <b>Debtors.</b>	<b>§</b> <b>§</b> <b>§</b> <b>§</b> <b>§</b> <b>§</b>	<b>Chapter 11</b>  <b>Jointly Administered</b> <b>Case No. 01-01139 (JKF)</b>
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**FEE AUDITOR'S FINAL REPORT REGARDING  
FEE APPLICATION OF RICHARDSON PATRICK WESTBROOK &  
BRICKMAN, LLC FOR THE TWENTY-FIRST INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fee Application of Richardson Patrick Westbrook & Brickman, LLC for the Twenty-First Interim Period (the "Application").

**BACKGROUND**

1. Richardson Patrick Westbrook & Brickman LLC ("RPWB") was appointed as lead special counsel to ZAI Claimants. In the Application RPWB seeks approval of fees totaling \$40,570.00 and costs totaling \$38.40 for its services from January 1, 2006, through June 30, 2006.<sup>1</sup>

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule

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<sup>1</sup>RPWB filed monthly applications for January - March, 2006, but did not file a quarterly application in the 20<sup>th</sup> interim period, and thus includes those fees and expenses in the Application. While we have no objection to the delayed fees and expenses, we are obligated to bring to the court's attention that of the amounts sought in the Application, \$25,007.50 in fees and \$38.40 in expenses are from the 20<sup>th</sup> interim period.

2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals.

### **DISCUSSION**

3. We note that per RPWB's Appointment Order, the Court set a total budget for ZAI counsel of \$1.5 million in fees and \$500,000 in expenses for prosecuting the Science Trial. On July 28, 2003, the Court entered an Order increasing the budget by \$950,000 per side for additional attorney fees and expenses. We note that an Order was entered on September 27, 2004, further increasing the litigation budget in the ZAI Science Trial by \$750,000.00 per side for additional attorneys' fees and expenses. For the period through the time covered by the Application, RPWB's fees and expenses are within the prescribed budget.

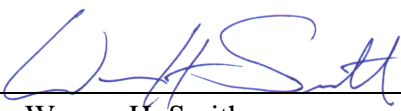
4. We will continue to monitor the ZAI Science Trial litigation budget for all participating parties. We have no objections to, or issues with, this Application for the 21<sup>st</sup> Interim Period, and thus we did not send an initial report to RPWB.

### **CONCLUSION**

5. Thus we recommend approval of fees totaling \$40,570.00 and costs totaling \$38.40 for RPWB's services from January 1, 2006, through June 30, 2006.

Respectfully submitted,

**WARREN H. SMITH & ASSOCIATES, P.C.**


By:   
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**FEE AUDITOR**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 8<sup>th</sup> day of December, 2006.

  
Warren H. Smith

**SERVICE LIST**

Notice Parties

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